

Truman Office
414 N. 5th Avenue E.
P.O. Box 400
Truman, MN 56088-0400

Ph: 507-776-2311
Fax: 507-776-2781
Web: WWW.PROFINIUM.COM



2005 SEP 26 AM 10 38

Fairmont Office
105 Lake Avenue
P.O. Box 848
Fairmont, MN 56031-0848

PH: 507-235-5538
Fax: 507-235-5501
WEB: WWW.PROFINIUM.COM

21
(D. Dozzz
D. Roman)

September 22, 2005

FDIC – San Francisco Regional Office
Regional Director John F. Carter
22 Jessie Street at Ecker Square, Ste 2300
San Francisco, CA 94105

Dear Mr. Carter:

Profinium Financial Inc. is pleased to have the opportunity to comment on the Wal-Mart application for FDIC insurance. Profinium Financial Inc. strongly opposes Wal-Mart's application for FDIC insurance because Wal-Mart's entry into banking would be an inappropriate mixing of business and commerce, which would not serve the best interests of the public.

Wal-Mart is the largest company in the United States. It has wanted to own a bank for some time, and until now it has not been successful. In its application, the business plan for the industrial loan company (ILC) is limited and does not contemplate full-service banking. However, because Wal-Mart's previous attempts to get into banking were less limited in scope, there can be little doubt that the originally narrow business plan will grow over time into full-service banking at retail locations across the country. This application for deposit insurance is the appropriate place to limit Wal-Mart's entry into banking.

Our banking laws have a long history of separating banking and commerce for two important reasons. First, a commercial retail enterprise that also runs a bank would put that bank at risk if the commercial entity has financial problems. It is not appropriate to put the federal deposit insurance funds at risk because a commercial entity was poorly managed. A strong separation of commerce and banking ensures that all banking institutions are primarily focused on the management of the financial institution.

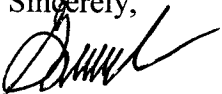
Second, financial institutions should not use the financial services business, which consumers and business customers need in today's world, to sell commercial products. It is anti-competitive for both financial institutions and retailers if a retailer owning a bank could offer financial products and retail products. For example, suppose the retailer's bank could give discounts on its retail products and services to everyone who opens a checking account with the retailer's bank. That ability to combine banking and commerce would put both bank competitors and retail competitors at an inappropriate disadvantage.

Wal-Mart's application threatens our long history of separating banking and commerce. Unfortunately, given Wal-Mart's size, it is the absolute worst case scenario. This application is not about a small commercial entity attempting to establish a small financial company. It is about a behemoth commercial operation attempting to establish a huge financial company, significantly exacerbating the concerns about combining banking and commerce.

Minnesota has an exceptional tradition for community banking. We still have the third most banks charters in the country, behind Texas and Illinois. This application threatens the community banks that are so vital to their communities. Community banks are the heart and soul of their communities, from a financial standpoint and from a community involvement standpoint. Very little economic growth and development happen without the support of the local bank. Local deposits fund consumer and business loans in the community. Also, bankers spend countless hours working on community development and volunteering in their communities, lending their expertise to causes that improve their towns. The success of their towns is of paramount importance to these bankers. We question whether Wal-Mart bank would have the same dedication to their communities. Wal-Mart's attempt in its application to avoid responsibility under the Community Reinvestment Act is not a promising sign.

Our nation has a long-standing policy of separating banking and commerce, which Congress confirmed in 1999 with the Gramm-Leach-Bliley Act. The risks associated with changing the policy are very real. Because Wal-Mart is such a huge entity, those risks are increased significantly. Profinium Financial Inc. urges the FDIC to reject Wal-Mart's application for federal deposit insurance. If you have any questions or comments, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Gary Hoehn', written over a horizontal line.

Gary Hoehn
President